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5 In the Matter of
6 THE APPLICATION REGARDING
7 THE CONVERSION AND
8 ACQUISITION OF CONTROL OF
9 PREMERA BLUE CROSS AND ITS
10 AFFILIATES

No. G02-45
OIC STAFF'S NOTICE OF
SUBMISSION OF CONSULTANTS'
DRAFT REPORTS

11 Pursuant to the Thirteenth Order: Setting Revised Case Schedule issued by the
12 Commissioner on September 18, 2003 and as modified by the Commissioner's subsequent
13 action, the OIC Staff submitted to Premera on October 3, 2003 at or before 3:00 pm the
14 following draft consultant reports and executive summaries:

15 1. *Premera Conversion Antitrust Review Preliminary Report* prepared by Keith
16 Leffler, Ph.D.

17 2. *Economic Impact Analysis of the Proposed Conversion of Premera Blue Cross for*
18 *the State of Washington* prepared by PricewaterhouseCoopers.

19 3. *Accounting & Tax Evaluation of the Proposed Conversion of Premera Blue Cross*
20 *of Washington* prepared by PricewaterhouseCoopers.

21 4. *Executive Compensation Review: Competitiveness and Reasonableness of Premera*
22 *Practices* prepared by PricewaterhouseCoopers.

23 5. *Report to the Washington State, Office of Insurance Commissioner on Tax Matters*
24 *in Connection with the Proposed Conversion of Premera* prepared by
25 PricewaterhouseCoopers.

26 6. *Premera Blue Cross; Report on Valuation and Fairness of the Proposed*
Conversion prepared by The Blackstone Group.

7. *Draft Report of Cantilo & Bennett, L.L.P.*

The OIC Staff is withholding the following reports from production for the reason that each is protected from disclosure under the attorney-client privilege or work product doctrine:

1. Draft Legal Opinion in connection with the antitrust review of Premera's Application prepared by John R. Ellis, Special Assistant Attorney General, dated October 3, 2003.

2. Legal Opinion with respect to the legal issues arising if the Application were approved concerning the allocation of consideration between the proposed charitable organizations of the State of Washington and the State of Alaska prepared by Cantilo & Bennett, L.L.P., dated August 25, 2003, with attached exhibits prepared by PricewaterhouseCoopers and The Blackstone Group comprising preliminary reports relating to allocation methodologies.

DATED this day of October, 2003.

Respectfully submitted,

OFFICE OF INSURANCE COMMISSIONER
STATE OF WASHINGTON

By: _____
John F. Hamje
Staff Attorney WSBA #32400
Legal Affairs Division
Office of Insurance Commissioner
360-725-7046
360-586-3109 (Facsimile)

CERTIFICATE OF SERVICE

Pursuant to WAC 10-08-110(3), I certify under penalty of perjury under the laws of the State of Washington that this instrument was served upon all parties of record in this proceeding by transmitting a copy thereof by FAX, and, on the same day, mailing a copy

1 | thereof, properly addressed with postage prepaid, to the attorney for each party to the
2 | proceeding.

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4 | Dated: _____, 2003
5 | At Tumwater, Washington

John F. Hamje